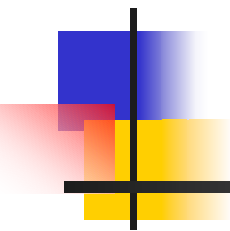
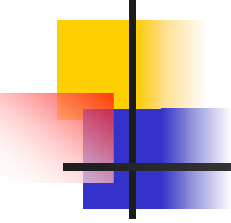


1996 Welfare Reform Law Has Been A Success



Prepared by the Republican Staff
House Committee on Ways and Means
January 2003



"Welfare reform has been the greatest social success story of the last 60 years, and it has worked because of its emphasis on work and helping people go to work."

**HHS Secretary and former Wisconsin Governor Tommy Thompson,
June 26, 2002**



Reforms Lead to More Work and Earnings, Less Poverty

Before 1996:

- Most welfare recipients did nothing or were in long-term education that did not lead to work.

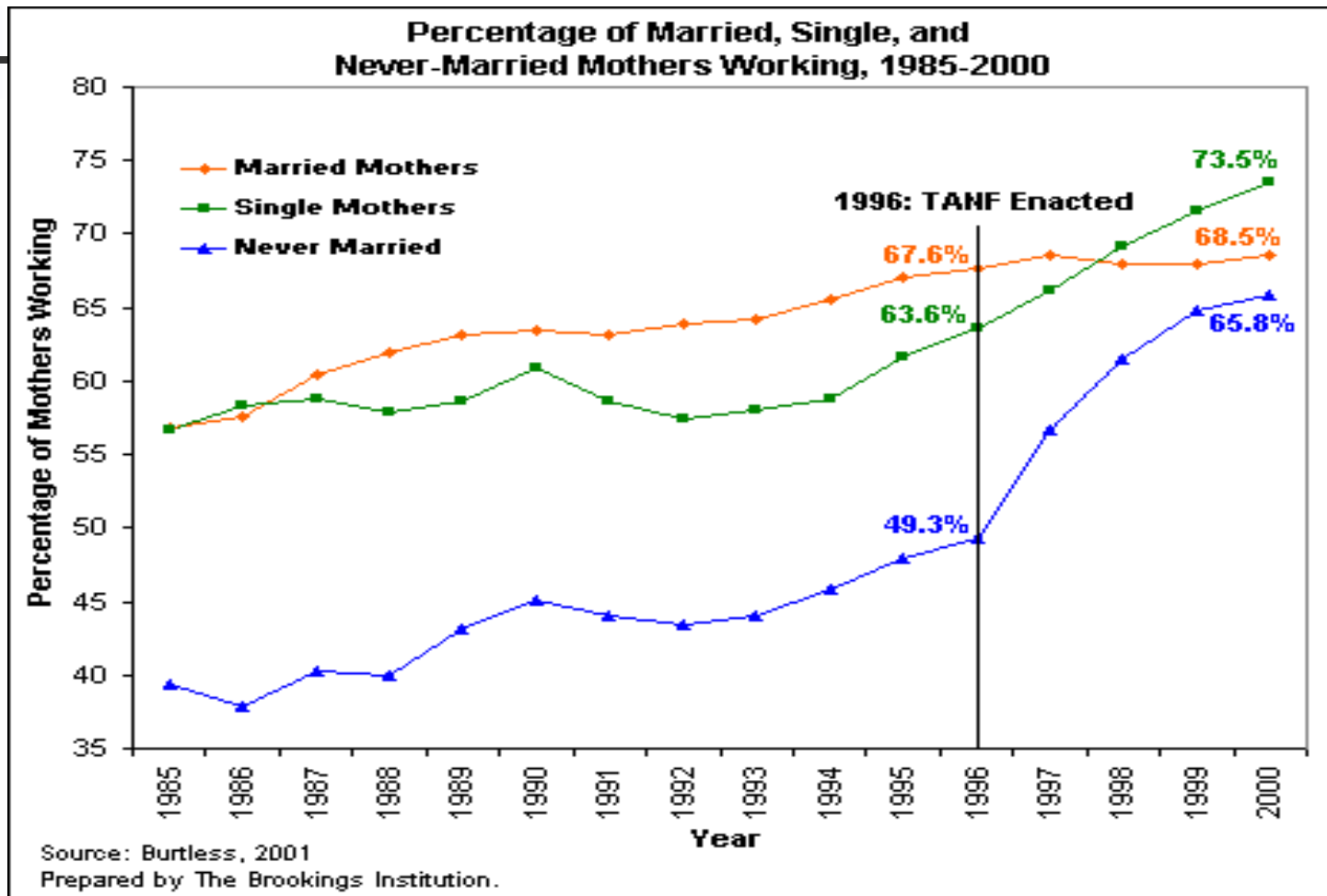
After 1996 Reforms:

- Reforms lead to record rise in work and earnings.
- Child poverty falls, reaching record lows for black children and children raised by single moms.

2003 Bill:

- Raise share of welfare recipients expected to work.
- Add “reducing poverty” as program purpose.

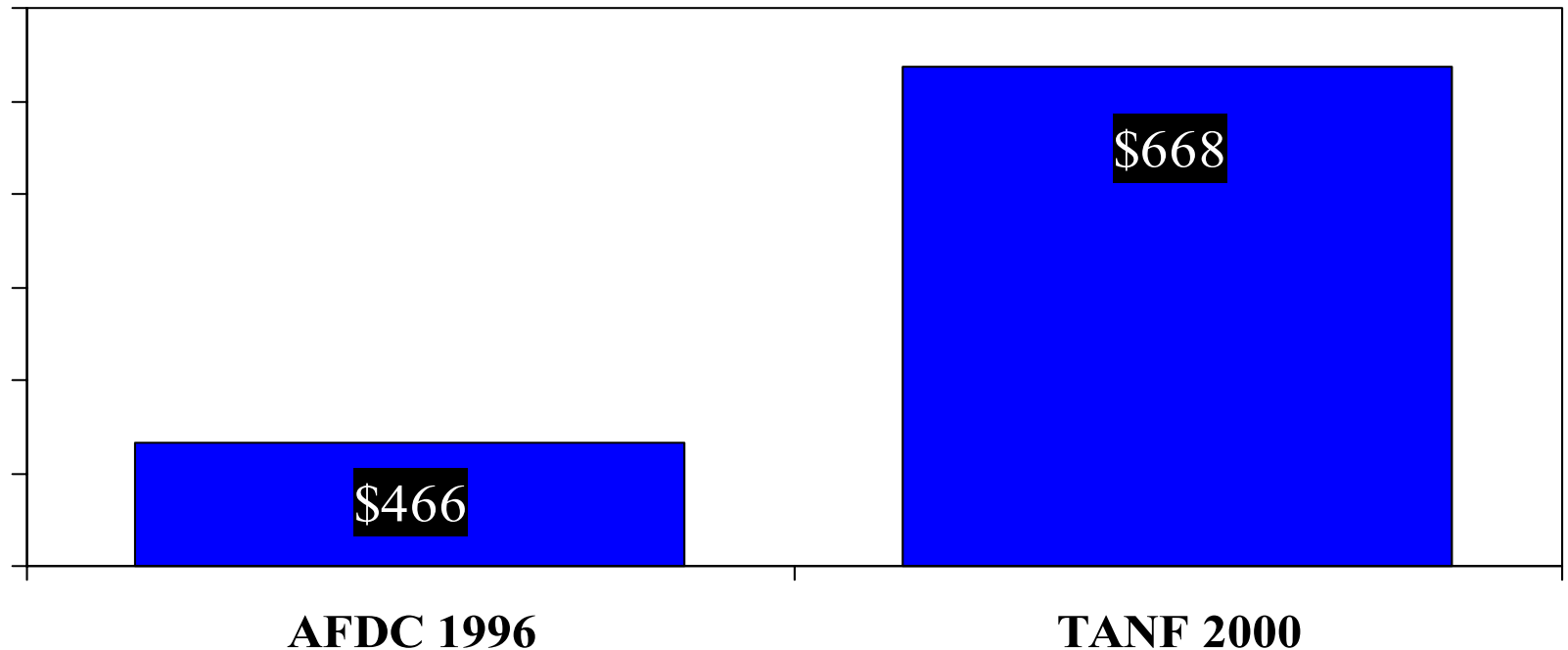
Record Number of Moms Work



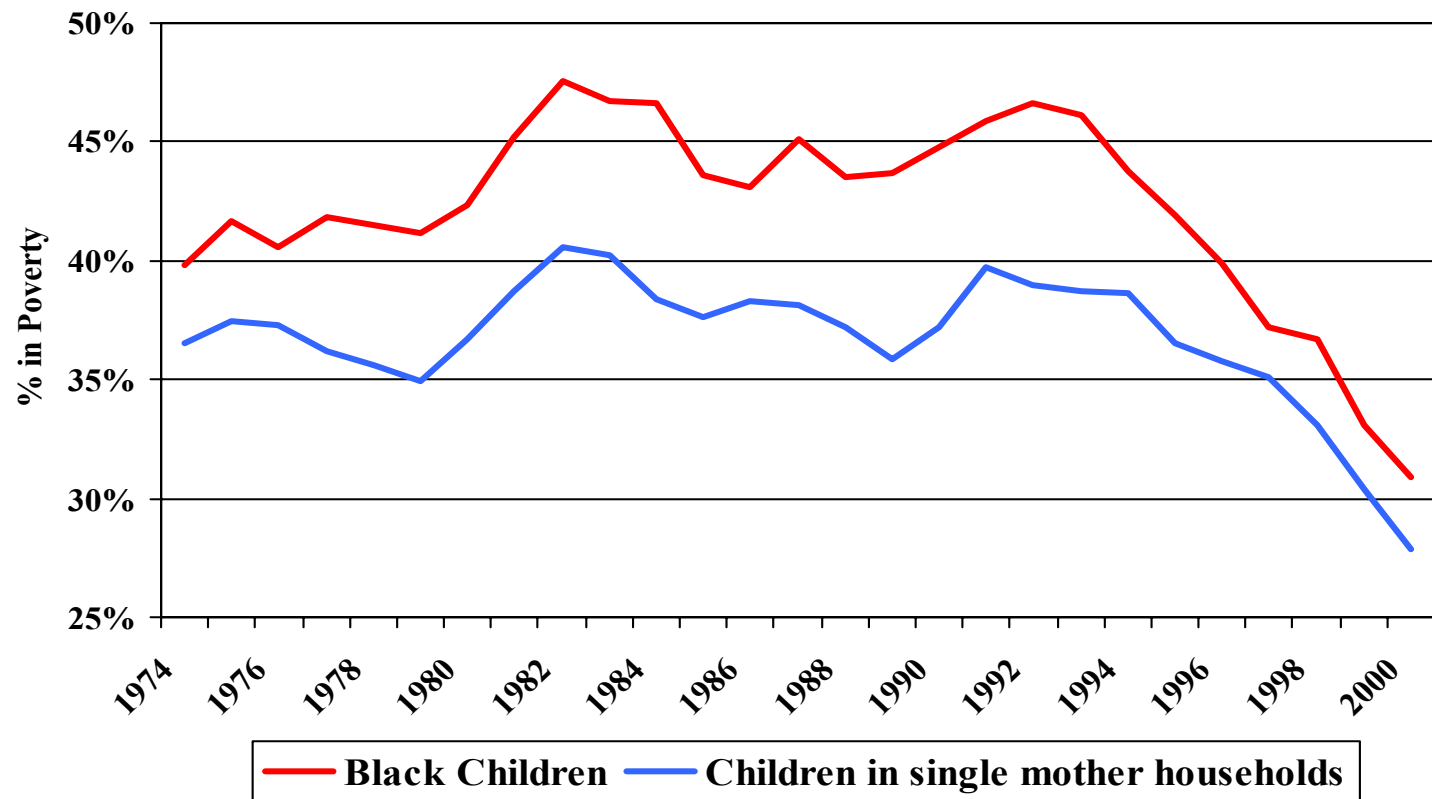


Focus on Work Increased Earnings

Average Monthly Earnings of Welfare Recipients



Key Poverty Rates Fall to Record Lows



Source: US Census Bureau, September 2001



Caseloads Plummet as Families Go to Work

Before 1996:

- 5 million families on welfare; no time limit on benefits.

After 1996 Reforms:

- Most families exit for work, leaving only 2 million families on welfare.
- 5-year limit on cash benefits reinforces that aid is temporary and must lead to work.

2003 Bill:

- Update incentives for more work, smaller caseloads.
- Maintain time limits and strengthen sanction policies proven to increase work and earnings.



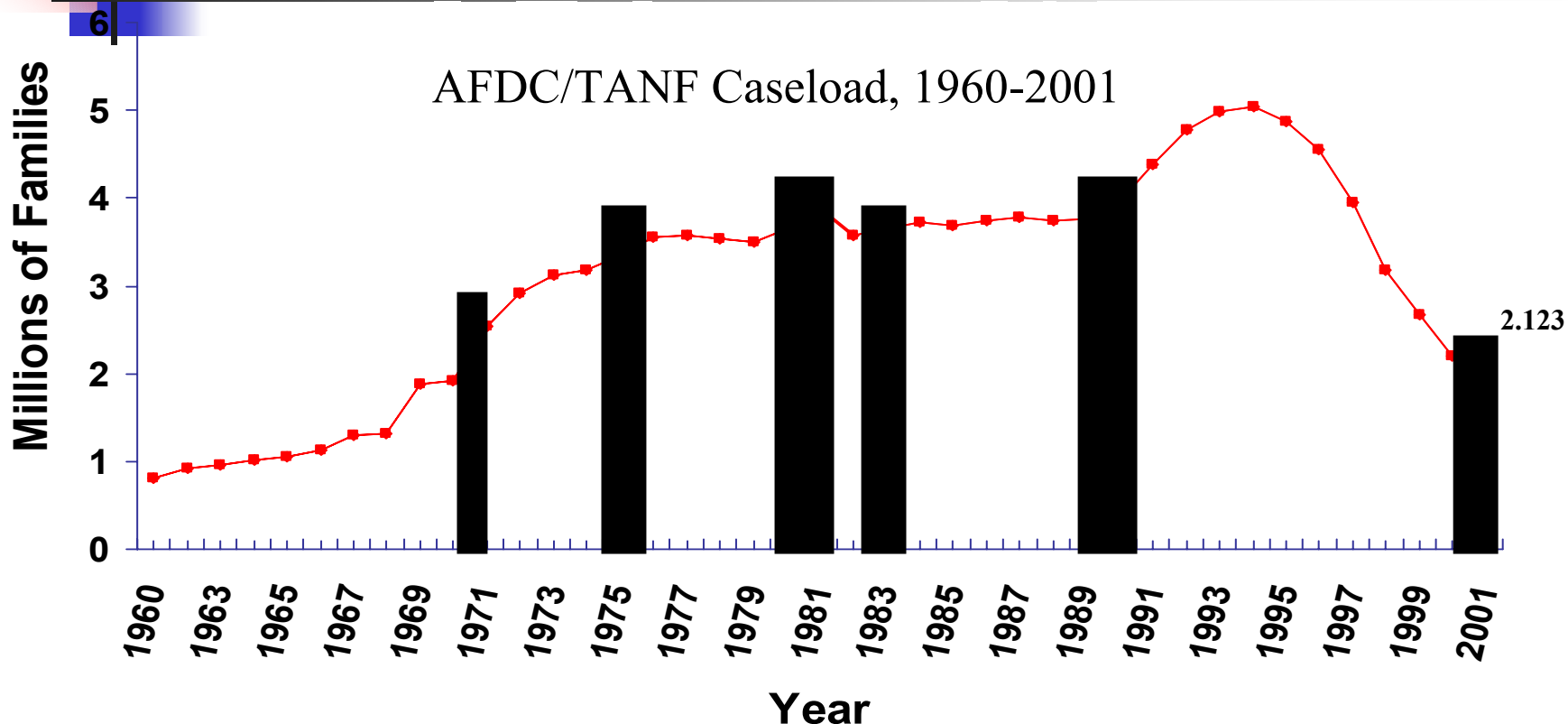
Before 1996: Safety Net or Trap?

Average length of stay on welfare for recipients on the rolls in 1995....

13 years

Source: Pavetti, Urban Institute, 1995.

Caseloads Plummet Under Reform



Recessions are noted by shaded area.

Source: Congressional Research Service and the U.S. Department of Health and Human Services

Slide Prepared by the Brookings Institution Welfare Reform and Beyond Initiative, 2003.



Reform Provides More Support per Family

Before 1996:

- Welfare spending grew as caseloads ballooned.

After 1996 Reforms:

- Fixed block grant stopped runaway spending growth.
- Reform led to billions in program savings, boosting budget surpluses.

2003 Bill:

- Maintaining the welfare block grant and increasing child care funding -- despite the 50% caseload decline since 1996 -- means funding per family on welfare today has more than doubled.

Funds Per Family More than Doubled Since 1996

TANF and Child Care Funds Per Family

